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Appropriations for FY2000: Department of Transportation and Related Agencies

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Summary

On October 9, 1999, the President signed the Department of Transportation and Related Agencies Act, 2000 (P.L. 106-69). The Act provided $50.2 billion for the Department of Transportation (DOT). DOT had requested funding similar to the level enacted in P.L. 106-69. However, the FY2000 Consolidated appropriations act, P.L. 106-113, calls for an across-the-board rescission of 0.38% from each agency's discretionary budget authority and obligation limits. This will result in a reduction of approximately $179 million from the level enacted in P.L. 106-69. The Federal Highway Administration (-$105.3 million), the Airport Improvement Program (-$54.4 million), the Federal Transit Administration (-$17.6 million), and the Coast Guard (-$1.6 million) together absorb all but about $0.5 million of the DOT reductions. Even with the rescission, the amount provided represents a nearly 6% increase over the FY1999 enacted level.

Reflecting the continuing impact of the Transportation Equity Act for the 21st Century (TEA-21), both the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) received increases of 7% above FY1999 enacted levels. The Federal Aviation Administration (FAA) received a more modest increase of just under 3%. The FY2000 Act funds the entire FAA budget out of the airport and airway trust fund. Historically, a significant portion of the FAA operations budget has been provided from general fund revenues.

Much of the debate over the Department's budget focused on allocating resources raised by user fees and deposited in specific transportation trust funds. A debate arose between those in favor of a unified budget vs. those seeking to protect individual programs either by taking them off budget or using fiscal boundaries or "firewalls" to ensure a minimum level of financing. This policy of creating discretionary spending guarantees originated with the provisions of the Transportation Equity Act for the 21st Century (TEA-21), legislation that placed "firewalls" around certain categories of the Federal Highway Administration's programs. The House version of the Federal Aviation Administration (FAA) reauthorization bill, H.R. 1000, proposes also changing the budgetary treatment of the airport and airway trust fund by taking the fund off budget.

For the highway trust fund, TEA-21 provided for the disposition of actual receipts above those forecast and authorized. The Revenue Aligned Budget Authority (RABA) provisions require additional trust fund receipts to be redistributed to individual states based on the formula used to apportion highway dollars. The enacted version of H.R. 2084 narrows the scope of RABA distribution to certain core highway programs, thereby reducing the allocations to a number of smaller TEA-21 programs and increasing the funds flowing to the states.

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Abstract

Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bounded by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to the Department of Transportation (DOT) and Related Agencies appropriations bill for FY2000. It is designed to supplement the information provided by the Subcommittees on Transportation of the House and Senate Committees on Appropriations. It summarizes the current legislative status of the bill, its scope, major issues, historic funding levels (by agency and major programs), and requests for the upcoming fiscal year, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

It will be updated following each major legislative stage, especially following legislative action in the committees and on the floor of the House and Senate.

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Most Recent Developments

The President signed the Department of Transportation and Related Agencies Act, 2000 (P.L. 106-69), hereafter referred to as the FY2000 Act, on October 9, 1999. The Act provided $50.2 billion for the Department of Transportation (DOT). However, the FY2000 Consolidated Appropriations Act (P.L. 106-113), mandates a government wide rescission equal to 0.38% of discretionary budget authority provided (or obligation limits imposed) for all government departments. Approximately $179 million will be cut from the DOT funding levels provided for in P.L. 106-69. The largest reductions are faced by the Federal Highway Administration (-$105.3 million), the Airport Improvement Program (-$54.4 million), the Federal Transit Administration (-$17.6 million), and the Coast Guard (-$1.6 million). Even accounting for the rescission, the final funding level represents nearly a 6% increase over the appropriations level of the FY1999 Act.

The Transportation Appropriations Framework

Transportation is Function 400 in the annual unified congressional budget. It is also considered part of the discretionary budget. Funding for the DOT budget is derived from a number of sources. The majority of funding comes from dedicated transportation trust funds. The remainder of DOT funding is from Federal Treasury general funds. The transportation trust funds include: the highway trust fund, the transit account of the highway trust fund, the airport and airway trust fund, and the inland waterways' trust fund. All of these accounts derive their respective funding from specific excise and other taxes.

Together, highway and transit funding constitutes the largest component of DOT appropriations, and can account for 60% to 70% of total federal transportation spending in any given year. Most highway, and the majority of transit, programs are funded with contract authority derived by the link to the highway trust fund. This is very significant from a budgeting standpoint. Contract authority is tantamount to, but does not actually involve, entering into a contract to pay for a project at some future date. Under this arrangement, specified in Title 23 U.S.C., authorized funds are automatically made available at the beginning of each fiscal year and may be obligated without appropriations legislation. Appropriations are required to make outlays at some future date to cover these obligations.

Where most federal programs require new budget authority as part of the annual appropriations process, transportation appropriators are faced with the opposite situation. That is, the authority to spend for the largest programs under their control already exists and the mechanism to obligate funds for these programs is also in place.

Prior to the FY1999 Appropriations Act changes in spending in the annual transportation budget component had been achieved in the appropriations process by combining changes in budget/contract authority and placing limitations on obligations. The principal function of the limitation on obligations is to control outlays in a manner that corresponds to congressional budget agreements.

The authority to set a limitation on obligations for contract authority programs gave appropriators considerable leeway in allocating funds between the various federal transportation activities in function 400, which includes agencies such as the Coast Guard and the Federal Aviation Administration. In addition, the inclusion of the highway and transit programs and their trust fund generated revenue streams in the discretionary budget provided appropriators with additional flexibility as part of the annual process by which available funds were allocated amongst the 13 standing appropriations subcommittees in the House and the Senate.

Changes in Transportation Appropriations as a Result of TEA-21

TEA-21 changed this budgetary procedure in two ways. First, it created new budget categories and second, it set statutory limitations on obligations. The Act amends the Balanced Budget and Emergency Deficit Control Act of 1985 to create two new budget categories: highway and mass transit. The Act further amends the budget process by creating a statutory level for the limitation on obligations in each fiscal year from FY1999 to FY2003. In addition, TEA-21 provides a mechanism to adjust these amounts in the highway account, but not the transit account, to correspond with increased or decreased receipts in the highway generated revenues (see revenue aligned budget authority – RABA– under key policy issues).

The net effect of the creation of these budget categories is a predetermined level of funding for core highway and transit programs, referred to in TEA-21 as a discretionary spending guarantee. These categories are separated from the rest of the discretionary budget in a way that prevents the use of funds assigned to these categories for any other purpose. These so called "firewalls" are viewed, in the TEA-21 context, as guaranteed and/or minimum levels of funding for highway and transit programs. Additional funds above the firewall level can be made available for highway and transit programs through the annual appropriations process.

TEA-21 changes the role of the House and Senate appropriations and budget committees in determining annual spending levels for highway and transit programs. The appropriations committees are precluded from their former role of setting an annual level of obligations. In addition, it appears that the House appropriations committee is precluded, at least in part, from exercising what some Members view as their traditional option of changing spending levels for any program or project.

The TEA-21 firewalls appear to diminish the flexibility of the committees on appropriations to meet the goals of the annual budget process, because they can only adjust the DOT agency/program budgets outside the firewalls. Hence, any reduction in spending for Function 400 must be allocated to these agencies/programs. This has raised special concern for supporters of the FAA, the Coast Guard, and Amtrak, which are the largest DOT functions without firewall protection. See the key policy issues section for further amplification.

On June 15, 1999, the House completed action on H.R. 1000, the Aviation Investment and Reform Act for the 21st Century (AIR21). H.R. 1000 contains provisions that take the aviation trust fund off budget. Off budget differs from firewalls and would give the trust fund status similar to the Social Security trust fund as far as the annual budget debate is concerned. The Senate-passed version of H.R. 1000 contains no changes in the budgetary treatment of the aviation trust fund. A conference version of the bill failed to emerge from conference before the end of the first session of the 106th Congress. However, the conference remains open and action could occur in the second session.

The budget treatment of the aviation trust fund has become a particular issue in the 106th Congress. The aviation trust fund is expected to have large unobligated balances in the years ahead unless spending from the fund is increased or the fund's tax revenues are decreased. This situation, combined with the belief in some quarters that protected spending within the TEA-21 firewalls constrains FAA spending in the annual appropriations process, has heightened interest in providing some sort of budgetary protection for aviation.

Supporters of the Coast Guard are also concerned about the new transportation appropriations environment. The Coast Guard is not funded by a trust fund, and hence cannot claim a user-fee base to support an argument for its own budget firewalls. The Coast Guard has a unique status within the transportation budget category because of its wartime role in national defense. It is not unusual for the Coast Guard to receive some funds from military appropriations during the annual appropriations process. It is possible that the Coast Guard will seek additional funding from the military side of the budget in the years ahead if additional funds from transportation appropriations do not become available. Amtrak does not have a similar option.

Table 1. Status of Department of Transportation Appropriations for FY2000

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conference Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
H.R. 2084 5-27-99	S.1143 5-25-99	H.Rept. 106-180 6-9-99	6-23-99	S.Rept. 106-55 5-27-99	9-16-99	H.Rept. 106-355 9-30-99	10-1-99	10-4-99	P.L. 106-69 10-9-99

Key Policy Issues

The debate over FY2000 DOT appropriations included the major issues of: (1) allocating funds among competing DOT programs and (2) seeking a compromise between the concept of a unified budget versus specifically earmarked, "off budget" activities. Competition for funds stems from various transportation interests and from the modal administrations themselves. Monies have been allocated for a diverse array of purposes, for example, to pay for the expenses of the U.S. Coast Guard, to improve safety throughout the various modes of transportation, and to help finance various infrastructure needs. In the DOT and Related Agencies Appropriations Act, monies are also provided to support the National Transportation Safety Board (NTSB), the

Surface Transportation Board (STB), and several other transportation-related independent agencies.[1]

The perennial question of priorities surrounds the appropriations process. Throughout its budget request, the DOT continues to emphasize several priorities including: safety, infrastructure, innovative financing, environmental enhancement, technology, and national security.

Much of the appropriations process must take place within the framework created by the Transportation Equity Act for the 21st Century (TEA-21), signed into law on June 9, 1998 (P.L. 105-178, H.R. 2400). The Act authorized appropriations for key surface transportation programs through fiscal year 2003. The general sense of Congress appears to be that, although transportation trust funds are not sacrosanct, proceeds from the Federal fuels taxes must be targeted toward the capital and recurring needs of the vast U.S. highway and transit network and not viewed as a source of general revenue. Although attempts to move highway and transit programs off budget prior to the 106th Congress were unsuccessful, Congress did insert language within TEA-21 to protect specific funding by creating firewalls around selected programs. The firewalls effectively created minimum funding levels for the selected programs. However, their creation has caused a congressional debate between the authorizers and appropriators over who should exercise ultimate authority for spending levels. Firewalls established by authorizing committees guarantee minimum funding for selected programs, but in the process, are seen by some as reducing the funding that might have been allocated to other (unprotected) programs. Thus, unprotected programs must compete for finite amounts, generally capped by the budget resolution. A similar initiative is underway for air transportation through H.R. 1000, although it drops the firewall provision while retaining off-budget provisions.

TEA-21 also contained a provision (Section 1105, Revenue Aligned Budget Authority—RABA) that authorizes DOT to redistribute trust funds, in excess of projected receipts, to the various states for Title 23 highway programs. According to RABA, the additional revenues are to be allocated to the states using the formulas spelled out in the law. However, the FY2000 DOT request proposed redirection of these funds from highway programs to other DOT initiatives, predominantly environmental activities associated with the Congestion Mitigation and Air Quality (CMAQ) program and transit. In the end, the FY2000 DOT appropriations act (P.L. 106-69) disallowed the Administration's proposed redirection of RABA funds.

Major Funding Trends

Table 2 shows Department of Transportation actual funding levels for FY1988 through FY1998 and enacted funding for FY1999 and FY2000. The major portion of these funds are contract authority.[2] Total DOT funding almost doubled from FY1988 through FY2000 (enacted). Totals may not include some user fee collections; thus, program totals may vary from other figures cited in the text.

[1] DOT has proposed each year since FY 1997 that the Surface Transportation Board (STB) be fully funded by user fees. The STB and its predecessor, the Interstate Commerce Commission, have never been fully funded by user fees. For further information, see CRS Report 96-67, The Surface Transportation Board (STB): An Overview and Selected Public Policy Issues, by Stephen Thompson.

[2] Starting in the early 1990s, about $300 million of the funds shown in **Table 2** were transferred from the DOD Appropriations budget to DOT. These monies are used to support Coast Guard activities. The amounts requested for FY2000 are provided in **Table 5** at the end of this report.

Table 2. Department of Transportation Appropriations: FY1988 to FY2000 Enacted

(in millions of dollars)

Fiscal Year[a]	Appropriation[b]
FY1988 Actual	25,779
FY1989 Actual	27,362
FY1990 Actual	29,722
FY1991 Actual	32,776
FY1992 Actual	36,184
FY1993 Actual	36,681
FY1994 Actual	40,359
FY1995 Actual	38,878
FY1996 Actual	37,378
FY1997 Actual	40,349
FY1998 Actual	42,381
FY1999 Enacted	47,224
FY2000 Enacted[c]	49,995[c]

a. "Actual" amounts from FY1988 to FY1998 include funding levels initially enacted by Congress in the Department of Transportation and Related Agencies appropriations bill as well as any supplemental appropriations and rescissions legislation enacted at a later date for that fiscal year. "Enacted" figures for FY1999 and FY2000 were mostly taken from the conference report tables (H.Rept. 106-69).

b. Amounts include obligations, limitations, DOD transfers, and exempt obligations.

c. The across-the-board rescission mandated for FY2000 required a reduction of roughly $179 million from the $50.174 billion provided in P.L. 106-69. This reduces the FY2000 enacted level down to just under $50 billion.

Comparison of FY1999 and FY2000 Enacted Funding

On October 9, 1999, President Clinton signed the Department of Transportation and Related Agencies Appropriations Act, 2000 (hereafter referred to as the FY2000 Act or the Act). With total funding of $50.174 billion, the Act provided for an overall increase of roughly 6% over FY1999 enacted levels. **Table 3** sets forth a tabular comparison of the FY1999 and FY2000 funding levels for a selection of agencies' funding.[3]

Table 3. Department of Transportation Appropriations

(for selected agencies, in millions)

Agency	Enacted FY1999	Final FY2000	Percent +/-
Federal Highway Administration	26,823	28,833	+7.5
Federal Aviation Administration	9,754	10,027	+2.8
Federal Transit Administration	5,390	5,779	+7.2

[3] The allocation of the 0.38% government wide rescission across DOT's organizational units is reflected in these totals.

Agency	Enacted FY1999	Final FY2000	Percent +/-
United States Coast Guard (FY1999 includes supplemental appropriations)	4,484	4,022	-10.3
Federal Railroad Administration	778	735	-5.5
National Highway Traffic Safety Administration	361	368	+1.9
Office of the Secretary	81	76	-6.2
National Transportation Safety Board	57	57	0
Office of the Inspector General	44	45	+2.3
Surface Transportation Board	16	17	+6.3

Government Wide Recission

The FY2000 Consolidated Appropriations Act (P.L. 106-113) mandates a rescission of an amount equal to 0.38% of discretionary budget authority provided (or obligation limits imposed) for FY2000 provided by any act for each department, agency, instrumentality, or entity of the federal government. This required that the amounts provided in the FY2000 DOT Appropriations Act (P.L. 106-69) be reduced by just over $179 million.

Although DOT had substantial discretion in how the cuts were distributed within the department, the legislation did establish some limitations. The language of the rescission legislation limited the amount that could be cut from any activity, program, or project to 15% and exempts any military personnel accounts.

The Office of Management and Budget (OMB) Bulletin no. 00-01 includes criteria for allocating the reduction. The criteria state that:

- reductions should be taken from the least critical funding available to the agency;
- reductions should be considered from enacted funding above the President's request;
- wherever possible, no reductions should be taken that would require reductions-in-force;
- agencies should make targeted recommendations rather than an across-the-board funding cut.

Reductions could only be made from discretionary budget authority and obligation limitations.

The allocation of the reductions, pursuant to P.L. 106-113, is set forth in **Table 4**. In implementing the OMB criteria DOT included reductions to amounts earmarked in the language of the FY2000 appropriations reports.[4]

[4] Table is based on OMB figures provided by the House Committee on Appropriations. All allocated rescission figures in the report are from this source.

Table 4. Department of Transportation Allocated Rescissions

Organizational Unit	Reduction ($000)
Federal Highway Administration	105,260
Federal Aviation Administration	54,362
Federal Transit Administration	17,624
U.S. Coast Guard	1,600
Federal Railroad Administration	179
Office of the Inspector General	170
Surface Transportation Board	58
Saint Laurence Seaway	46
Office of the Secretary	28
Total	**179,327**

Coast Guard

http://www.uscg.mil/

The Coast Guard appropriation is constrained, and its management challenged, by increased responsibilities for drug and illegal immigrant interdiction on the high seas as well as by its aging fleet of water craft and aircraft. The Administration requested $4.1 billion for Coast Guard discretionary funds in FY2000. Compared to the total $4.5 billion appropriated in FY1999 (including emergency and supplemental appropriations), the FY2000 request would have been $358 million, or 8%, less than all FY1999 funds.[5] In addition to these discretionary funds, there were mandatory funds of $64 million for State Boating Safety grants. In passing H.R. 2084 on June 23, the full House approved the committee-reported $4.0 billion and adopted no amendments affecting the committee recommendations for the Coast Guard. In passing H.R. 2084, as amended, on September 16, 1999, the Senate approved the $4.0 billion amount. Conferees approved $4.0 billion included in the final appropriations, P.L. 106-69. Earlier, in emergency supplementary appropriations legislation (P.L. 106-31; H.R. 1141), Congress appropriated $200 million for the Coast Guard as emergency funding contingent on an official budget request being made. Thus, the total FY2000 appropriation could be interpreted as being $4.224 billion. Coast Guard programs are authorized every two years; see CRS Report RS20117, *Coast Guard FY2000 and FY2001 Authorization Issues*, for discussion of current congressional consideration of authorization bills.

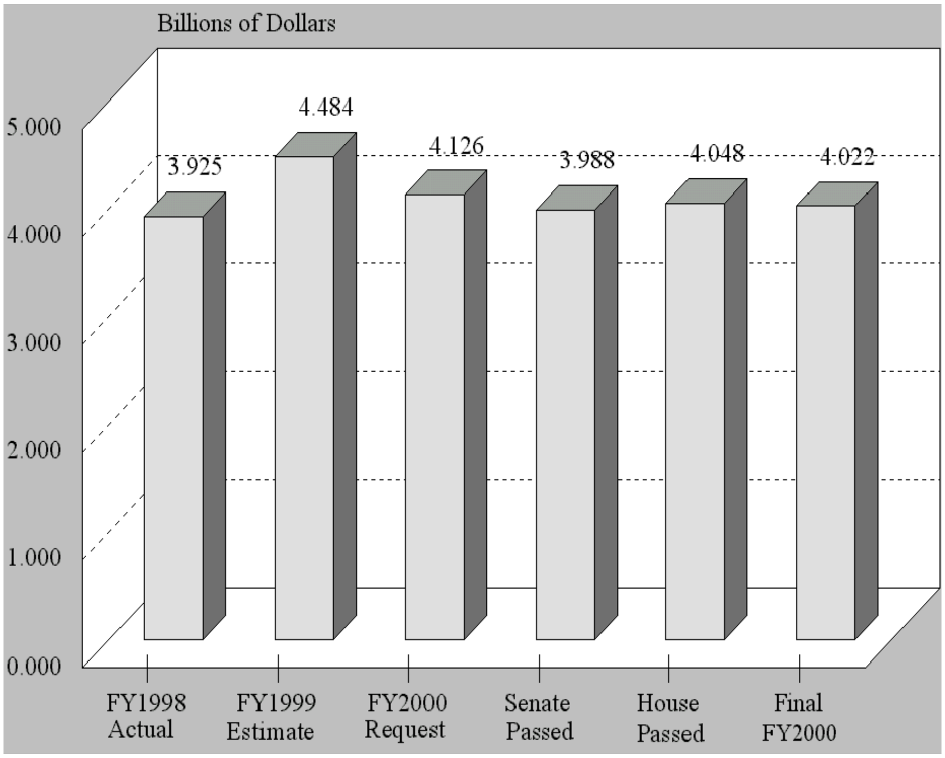
According to preliminary OMB figures, the government wide rescission called for in P.L. 106-113, the DOT will cut the Coast Guard's enacted budget by $1.6 million with the acquisition, construction, and improvements account being cut by almost $1.5 million; the environmental compliance and restoration account by $65,000; and the alteration of bridges account by $57,000.

[5] This FY1999 total includes $3.9 billion in the FY1999 Department of Transportation and Related Agencies Appropriations Act, as included in P.L. 105-277, and an additional $376 million in emergency funds in the Omnibus Consolidated and Emergency Supplemental Appropriations Act (P.L. 105-277, Division B). P.L. 106-31. The FY1999 Supplemental (P.L. 106-31), also appropriated $200 million in additional FY1999 funds to be carried into FY2000. In reporting FY2000 bills, the House Committee included these additional FY1999 funds and the Senate Committee excluded them.

The Coast Guard budget request of $4.126 billion was proposed to enable the Coast Guard to continue its activities against drug smuggling and recapitalize aircraft and vessel fleets. Of this amount, $2.941 billion (a 4% decrease compared to FY1999) would have been allocated to operation and maintenance of a wide range of ships, boats, aircraft, shore units, and aids to navigation, including $334 million in defense-related funding. The Senate passed $2.772 billion; the House passed $2.791 billion; and the conference agreed to $2.781 billion of which $300 million shall be available for defense-related activities. Another major component of the request would have assigned funds for acquisition, construction, and improvement. For this function, the Administration sought $350 million, a 44% decrease from FY1999, compared to total FY1999 funds.[6] Senate-passed H.R. 2084 would have funded this at $370.4 million and the House-passed version at $410 million. The conference agreed to $389.3 million of which $20 million would be derived from the oil spill liability trust fund. For research during FY2000, the agency requested $22 million, an 83% increase over the current fiscal year. The Senate-passed bill would have funded this at $17 million; the House-approved bill at $21 million. P.L. 106-69 provides $19 million, with $3.5 million to come from the oil spill liability trust fund. The Senate approved $730.3 million for Coast Guard retirement; the full House approved $721 million, level with the current estimate. The conference agreed to $730.3 million. The Administration requested and both the House and Senate recommended $72 million to train, support, and sustain a ready military Selected Reserve Force of 7,600 members for direct support to the Department of Defense and to provide surge capacity for responses to emergencies such as cleanup operations following oil spills.

[6] Note: The addition of one-time FY1999 funds referenced in footnote 1 contribute to this difference.

Figure 1. U.S. Coast Guard Appropriations



A prominent issue was the Coast Guard's management of a major planned replacement of aging and outmoded high seas' vessels and aircraft. Only planning and analysis funds were included for this in the FY2000 request; actual purchases of nearly $10 billion are anticipated over a 20-year period beginning in FY2002. At House Transportation and Infrastructure Committee hearings on February 11, 1999, and at the Transportation Subcommittee of the House Appropriations Committee hearing, March 16, 1999, the General Accounting Office criticized the Coast Guard's handling of this vital replacement program. CRS Report 98-830 F, *Coast Guard Integrated Deepwater System: Background and Issues for Congress*, discusses the issues associated with the program. In reporting S. 1143, the Senate Appropriations Committee included several provisions in the bill language relating to these needs. These include a requirement that funds from aircraft sales be credited to the Deepwater Replacement Project Revolving Fund (created by a provision in S. 1143) for new aircraft purchases. The Senate approved bill also permits the Commandant of the Coast Guard to dispose of specified Coast Guard facilities. As specified in H.R. 2084, as amended by S. 1143, proceeds from the sale of these facilities would be deposited into the Deepwater Replacement Project Revolving Fund. In H.R. 2084, the House also included bill language providing for the crediting of sales of disposed property to this appropriation account. It also specifies that the Coast Guard must submit a comprehensive capital investment plan with its FY2001 budget justification. These provisions were included in P.L. 106-69.

Another issue involved the Coast Guard's planned use of user fees. The budget anticipated using $41 million from new user fees for recapitalization of vessels, information management, and Coast Guard shore infrastructure not part of the deepwater replacement effort. The Administration proposed legislation to authorize user fees for commercial cargo vessels and cruise ships; it anticipated collecting $41 million in FY2000 and $165 million annually when fully operational. Proposals for user fees for traditional Coast Guard services such as buoy placement and vessel traffic regulation have been controversial. Some argued that these services should be funded from general funds because of their widespread benefits; others argue that user fees should be assigned in instances where the beneficiaries can be clearly identified. In passing H.R. 2084, the Senate included bill language prohibiting the Coast Guard from using any FY2000 funds "to plan, finalize, or implement any regulation that would promulgate new user fees..." The House also included similar language in passing H.R. 2084, which was retained in the enacted legislation, P.L. 106-69.

Federal Railroad Administration (FRA)

http://www.fra.dot.gov

For FY2000, the Administration requested a total of $678 million in total budget authority for the FRA.[7] This was down from the $778 million for FY1999, and from the $743 million actual figure for FY1998. The Senate-passed version of H.R. 2084 recommended $750 million and the House-passed version recommended $719 million. The enacted legislation provided for $735 million.

Pursuant to the government wide rescission, DOT cut $179,000 from the FY2000 enacted level. The largest reduction was allocated to the Next Generation High Speed Rail Program (-$103,000). Rhode Island rail development (-$38,000) and Alaska railroad rehabilitation (-$38,000) were also reduced.

The most notable reduction from the FY1999 amount was the $38 million cut for Amtrak. Amtrak issues are discussed in a separate section below.

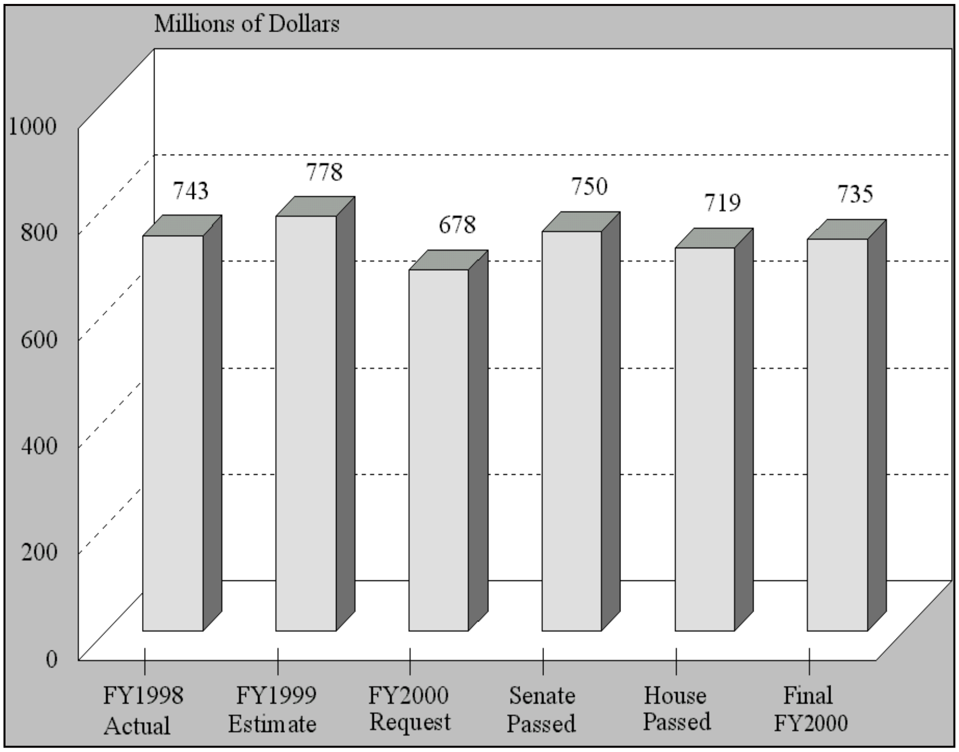
Railroad Safety and Technology

The FRA is the primary federal agency that promotes and regulates railroad safety. In P.L. 105-277, Congress appropriated about $77.3 million in FY1999 to fund the expenses associated with FRA's Office of Safety and the expenses of associated offices within FRA. In the FY2000 budget, the Administration requested about $95.5 million for the railroad safety program and associated offices. Most of those funds were to pay for salaries as well as associated travel and training expenses for field and headquarters staff and for information systems monitoring the safety performance of the industry.[8] The Senate-passed version of H.R. 2084 recommended $91.8 million and the House-passed version recommended $94.4 million for those activities. The conference agreement accompanying P.L. 106-69 specifies $94.3 million.

[7] This amount excludes $93 million in current and proposed federal receipts for a total of $746 million. See Budget of the United States, Fiscal Year 2000, Appendix, page 762.

[8] Those funds also are used to conduct a variety of initiatives, including the Safety Assurance and Compliance Program (SACP) the Railroad Safety Advisory Committee (RSAC), and field inspections. SACP involves numerous partnerships forged by railroad management, FRA personnel, and labor to improve safety and compliance with federal railroad safety regulations. RSAC uses a consensus-based process involving hundreds of experts who work together to formulate recommendations on new or revised safety regulations for FRA's consideration.

Figure 2. Federal Railroad Administration Appropriations



The last railroad safety reauthorization statute was enacted in 1994 and funding authority for that program expired at the end of FY1998. FRA's safety programs continue using the authorities already specified in federal railroad safety law and funds appropriated annually. Subcommittees of the Senate Commerce, Science, and Transportation Committee and the House Transportation and Infrastructure Committee held extensive hearings during the 105th Congress on various railroad safety issues. Those deliberations did not result in a consensus to enact a law that would have authorized continued funding for the regulatory and safety compliance activities conducted by the FRA or change any of the existing authorities used by that agency to promote railroad safety. Any reauthorization statute enacted during the 106th Congress could change the scope and nature of FRA's safety activities but that new safety law would most likely only affect budgets after FY2000.

Especially after the March 1999 crash between an Amtrak train and a truck in Bourbonnais, IL, which resulted in 11 deaths and more than 110 injuries, the 106th Congress is paying particular attention to railroad-grade crossing safety. Relevant issues include: Are FRA's grade crossing activities adequate and effective? How is FRA helping the states deal with that safety challenge? Is FRA's FY2000 budget adequate to deal with that challenge? Congressional reaction to the answers of those questions appears to have had a bearing on the railroad safety budget for FY2000. The conference agreement increased funding for Operation Life Saver to $950,000 and provided support for a national public service campaign to increase awareness to crossing safety and trespass prevention.

To support its safety program, the FRA conducts research and development (R&D) on a diverse array of topics, including: fatigue of railroad employees, technologies to better control train movements (positive train control), track research, and grade crossing safety. For FY2000, the FRA requested $21.8 million for railroad R&D compared to $22.4 million appropriated in

FY1999. The Senate-passed version appropriates $22.4 million and the House-passed version appropriates $21.3 million for railroad R&D. The conference agreement on P. L. 106-69 specifies $22.5 million. In the reports accompanying each of the transportation appropriation bills and the conference report, the appropriations committees historically have allocated the railroad R&D funds among various research categories pertaining to safety.

High Speed Rail and Maglev

For FY2000, FRA requested $12 million of appropriated funds and $10 million of RABA funds to continue the Next Generation High Speed Rail Program. In FY1999 $20.5 million was appropriated for that program. TEA-21 also authorizes $20 million of contract funds in FY2000 to support the Magnetic Levitation (Maglev) Transportation Technology Deployment Program. The Administration did not request liquidating authority to use those funds, but instead proposed to use $20 million of RABA funds to support research to reduce the costs of maglev systems. In FY1999 TEA-21 authorized $15 million of contract funds to conduct the maglev program. For FY2000, the Senate rejected the Administration's request to use RABA for maglev, and instead recommended the $20 million of contract funds authorized in TEA-21 for maglev. The House also rejected the Administration's request for maglev, and left intact the funding provided in TEA-21 for maglev. The enacted legislation, P.L. 106-69, specifies $27.2 million for the Next Generation Program. As mentioned earlier, the Next Generation Program was reduced by $103,000 pursuant to the government wide rescission mandated by P.L. 106-113.

Amtrak

http://www.amtrak.com

The FY1999 budget authority for Amtrak was $609 million compared to $594 million in FY1998. These figures do not include an estimated $1.1 billion in funds available to Amtrak each year in FY1998 and FY1999 from the Taxpayer Relief Act of 1997. The Administration requested $571 million for FY2000, as did both the Senate and House-passed versions of H.R. 2084. The enacted legislation (P.L. 106-69) also provides $571 million.

Amtrak's financial condition remains weak. The Administration requests a change in legislation allowing Amtrak to use "capital" grants for routine maintenance of equipment and facilities such as track. Amtrak testified before Congress in March 1999 that without this change in legislation, Amtrak might not make it through FY1999, the current fiscal year, on a cash basis. Amtrak typically borrows money from a private-sector line-of-credit near the end of each fiscal year to bridge the gap between its operating loss and federal financial assistance. Amtrak typically repays the loan early in each new fiscal year.

Federal operating aid to Amtrak is prohibited after FY2002 (49 U.S.C. 24101 (a) (1999)). The DOT Inspector General (IG), at the request of Congress, has evaluated Amtrak operations and outlook, and concluded that Amtrak probably will continue to require federal financial operating assistance after FY2002.

In addition to the funding already discussed, the DOT IG estimates that over the next several years, Amtrak will require $2.7 billion to $4 billion in federal funds for new equipment and improvements to signaling and track. Some of these funds would be used to upgrade track between Washington, DC, and New York City. Beyond this amount, the DOT IG estimates that Amtrak will have additional, continuing requirements for such federal funding for the foreseeable future.

Amtrak Reform Council

Amtrak Reform Council funding is presented within the Federal Railroad Administration budget request. The budget authority for the council was $450,000 in FY1999 compared to $50,000 in FY1998. The Administration requested $750,000 for FY2000. The Senate recommended $950,000 to be available through September 30, 2001, and the House recommended $450,000 to be available through December 30, 2001. The enacted legislation (P.L. 106-69) provides $750,000 for the Amtrak Reform Council and requires that each annual report of the council to Congress include the identification of Amtrak routes which are candidates for closure or realignment.

The council was created in FY1998 to perform an independent assessment of Amtrak's labor agreements, Amtrak's progress in increasing employee productivity, and Amtrak's ability to operate without federal operating assistance after September 30, 2002. If the council concludes, anytime after December 2, 1999, that Amtrak will require federal operating assistance after September 30, 2002, then federal law requires the council to submit to Congress an Amtrak reorganization plan; requires Amtrak to submit to Congress an Amtrak liquidation plan; and requires legislative action by the Senate.

Federal Highway Administration (FHWA)

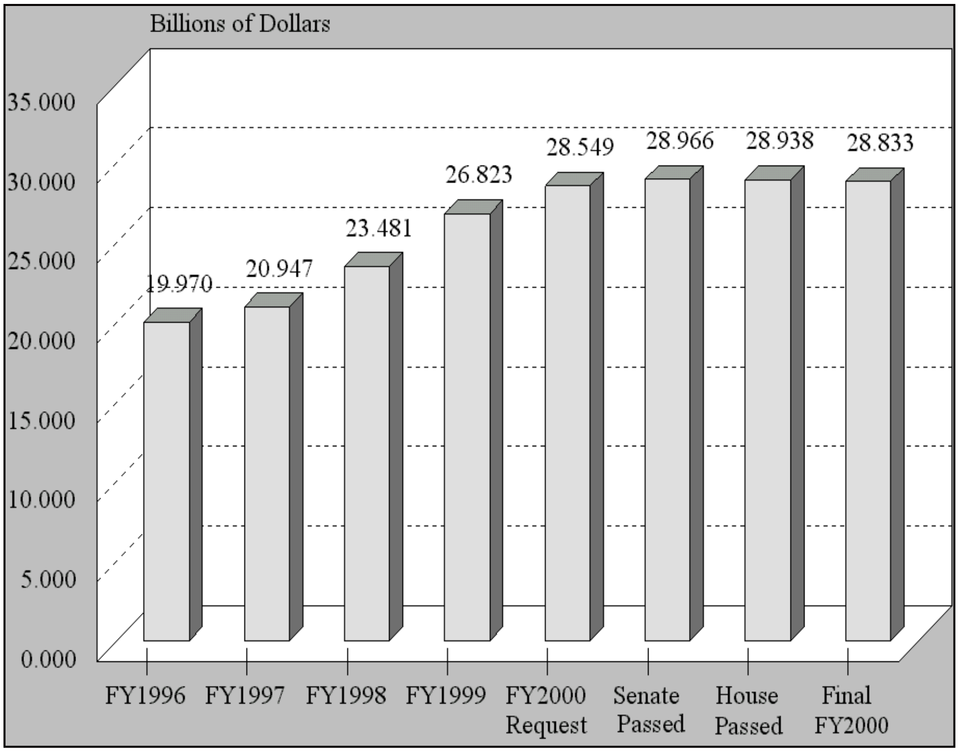
http://www.fhwa.dot.gov

The FY2000 Act provides the FHWA with $28.9 billion in total budgetary resources. This is a $2.1 billion increase over the FY1999 level. The FY2000 Act continues the dramatic growth in FHWA funding that has resulted from passage of the Transportation Equity Act for the 21st Century (P.L. 105-178) (TEA-21) in 1998. By way of further comparison, funding for FY2000 will be over $10 billion more than was available in FY1995.

The FY2000 Act funding was reduced by just over $105 million pursuant to the government wide rescission (P.L. 106-113).

The FY2000 Act largely follows the provisions of TEA-21 in terms of overall funding distribution (a discussion of the TEA-21 program structure follows this section). There are a number of provisions in the Act, however, that waiver from the formula guidance found in TEA-21. The principal change is in the distribution of Revenue Enhanced Budget Authority (RABA) funds for programs under the direct control of the FHWA (these are the so called "allocated" funds and include programs such as the federal lands highway program and the highway beautification program). The effect of the Act's provisions is to transfer a significant portion of the RABA funds designated for the allocated funds to core highway programs (surface transportation program, national highway system program, etc.) for distribution to the states on a formula basis. The other major change in the Act is a significant increase in the number of specific projects and funding levels detailed in the legislation. This earmarking is a common feature in other parts of the transportation appropriations Act, but has been absent from the highway section of the act for several years.

Figure 3. Federal Highway Administration Appropriations



The earmarking and the RABA reallocation, are the most contentious features of the FY2000 Act and were opposed by the leadership of the House Transportation and Infrastructure Committee which viewed these changes as constituting legislating (i.e. authorizing) in an appropriations act. Opposition in the House, however, was insufficient to defeat the Conference Report on final passage.

The Senate-passed version of H.R. 2084 (formerly S. 1143) honored the TEA-21-created program structure and spending guarantee provisions and provided a small additional increase in spending over the Clinton Administration proposal. The legislation as reported included total budgetary resources for FHWA of just under $29 billion. Almost all of the programmatic changes proposed in the bill affected research programs and intelligent transportation systems (ITS) programs that will be discussed later in this section. The major difference between the Senate Act and the Clinton proposal was in the treatment of RABA funding. The Senate Act distributes RABA funds of $1.46 billion on the basis of TEA-21 formulas, thereby rejecting the Administration's attempt to use these funds for non-highway activities. The Senate-passed version of H.R. 2084 differs from the House version in that it narrows the scope of RABA distribution to certain of the core highway programs instead of allocated programs, thereby excluding a number of smaller previously mentioned programs. During floor debate, this provision was challenged on a point of order as violating the Senate rule against legislating in an appropriations bill. The point of order failed.

H.R. 2084 as passed by the House also honored the TEA-21 guarantee levels. Federal aid highway funds and RABA funds are identical to the Senate levels. Total budgetary resources available to FHWA were slightly lower in the House-passed version. The House bill also rejected the Clinton Administration RABA redistribution proposal.

The FY2000 budget proposal submitted by the Clinton Administration requested FHWA funding at the TEA-21 firewall level, $27.3 billion. In addition, a RABA distribution of $1.46 billion in additional highway funding was forecast. The Administration chose to make the very controversial suggestion that the RABA distribution be reprogrammed to a number of transportation programs outside the highway program firewall. These changes were designed to complement Vice President Gore's proposals concerning the Administration's "livability agenda." For example, the Administration proposed $250 million in additional funding for highway research activities, which are outside the highway firewall. RABA funding would also have been used for highway safety, transit, and rail related activities. The Administration proposal failed to gain congressional support and, as detailed above, was not seriously considered as part of the FY2000 appropriations process.

The TEA-21 Funding Framework

TEA-21 created the largest surface transportation program in U.S. history. For the most part, however, it did not create new programs. Rather, it continued most of the highway and transit programs that originated in its immediate predecessor legislation, the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA, P.L. 102-240). Programmatically, TEA-21 can be viewed as a refinement and update of the ISTEA process. There are a few new funding initiatives in the Act, such as a border infrastructure program, but the vast majority of funding is reserved for continuing programs.

There are several groupings of highway programs within the highway firewall. Most of the funding is reserved for the major federal aid highway programs, which can be thought of as the core programs. These programs are: national highway system (NHS), interstate maintenance (IM), surface transportation program (STP), bridge replacement and rehabilitation, and congestion mitigation and air quality improvement (CMAQ). All of these programs are subject to apportionment on an annual basis by formula and are not subject to program-by-program appropriation.

There is a second category of highway funding within the firewalls. This so called "exempt" category consists of two elements, an additional annual authorization of minimum guarantee funding ($639 million per fiscal year) and emergency relief ($100 million per fiscal year). These funds are not subject to the annual limitation on obligations.

A further set of programs, which are also within the firewall, are known as the allocated programs. These programs are under the direct control of FHWA or other governmental entities. These programs include: the federal lands highway program, high priority projects (former demonstration project category), Appalachian roads (formerly ineligible for trust fund contract authority), most minimum guarantee funds, the national corridor planning and border infrastructure program, and several other small programs.

TEA-21 provides a link between the highway generated revenues that flow into the highway account and highway spending. The Act requires that the Secretary of Transportation make an annual evaluation of revenues into the highway account during the previous fiscal year vis-a-vis spending authorized within the highway firewall for the new fiscal year. If revenues go up, program spending is increased. Conversely, spending can go down if revenues go down. The Act specifies a formula to determine the direction and amount of highway funding adjustment. This mechanism, known as the Revenue Aligned Budget Authority (RABA), is employed beginning in FY2000.

FHWA Research, Development, and Technology Programs

For FY2000, the FHWA requested $641 million to support its research, development, and technology-related (RD&T) activities; this is an increase of $268 million over the FY1999 estimate of $373 million. The request consisted of $370 million to conduct RD&T related to FHWA's traditional highway programs and $271 million to support the National Intelligent Transportation Systems (ITS) program.

An important issue associated both with the traditional highway component and, particularly, with the ITS deployment program component of the RD&T program, is the earmarking of funds. The appropriators, historically, have designated a substantial portion of the incentive funds used to accelerate ITS deployment. For example, in FY1999 the appropriators earmarked the entire deployment account by specifying which cities or states would receive those funds and the amounts to be obligated.[9] Both the House Appropriations Committee and the Senate Committee on Appropriations again earmarked the entire ITS deployment program in their FY2000 recommendations. The conference agreement accompanying P.L. 106-69 earmarked almost all of the deployment account. Many Members and proponents of ITS would prefer to have the deployment funds competitively awarded.

The FY2000 budget request poses other issues regarding highway RD&T programs, but one is of particular note. This issue pertains to the use of RABA funds. As previously stated, the Administration has been seeking the flexibility to allocate those monies according to its priorities instead of the distribution specified in TEA-21. The Administration proposed allocating $250 million of the RABA funds to supplement both components of the RD&T program. If highway RD&T programs had received only their proportional share of the RABA funds now allowed under TEA-21, the funding for those activities could have been increased up to about 5% (plus any increase now specified in TEA-21 for FY2000), instead of the 72% increase proposed by DOT.[10] This would have upset the agreements forged in TEA-21 regarding how the RABA funds would be distributed. The Senate and the House did not accept the Administration's proposal to use RABA funds to increase RD&T activities by 72%.

Motor Carrier Safety Operations

In FY2000 FHWA requested approximately $55.4 million for the motor carrier safety (MCS) program that is managed by the newly established Office of Motor Carrier and Highway Safety. In an amended request, FHWA asked for an additional $5.8 million for that program. The requested funds are used primarily to pay for the salaries and expenses of some 630 staff who conduct audits or reviews of motor carriers, write and revise the Federal Motor Carrier Safety Regulations, and conduct many other activities intended to improve commercial motor vehicle safety. In FY1999, $53.4 million was appropriated for those functions. For FY2000, the Senate specified about $57.4 million for motor carrier safety operations, and the House appropriated about $70.5 million for that function. The conference agreement specified the amount recommended by the House.

Various congressional committees have recently conducted hearings on the truck and bus safety program administered by the U.S. Department of Transportation (DOT). Two of the key issues that were discussed include: How effectively is the current program being conducted? Is a new

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[9] U.S. House of Representatives. Department of Transportation and Related Agencies Appropriations Act for FY1999. 105th Congress, 2nd Session. H.Rept. 105-825. pp. 76-77.

[10] The Administration proposed using RABA monies to fund $250 million of the requested increase of $268 million for RD&T.

administrative structure needed to improve its implementation? The debate on the future administrative structure of the federal truck and bus safety program appears to have affected the FY2000 DOT Appropriations Act. P.L. 106-69 prohibits the use of any funds to carry out certain motor carrier safety functions and operations by the FHWA, and would transfer those funds to any DOT entity other than the FHWA to carry out those activities. On October 9, 1999, FHWA's motor carrier safety functions were transferred to a newly established entity, the Office of Motor Carrier Safety, outside of FHWA but still within the DOT.

In addition to the funds used to conduct FHWA's motor carrier safety program, the FHWA budget request included $105 million of contract funds authorized by TEA-21 to support the Motor Carrier Safety Assistance Program (MCSAP) and various information systems used to promote truck and bus safety, and an amended request of another $50 million to fund additional MCSAP activities and other safety initiatives. MCSAP provides grants to the states to implement inspection and review programs affecting both interstate and intrastate commercial vehicle operations. In FY1999 $100 million was made available for MCSAP and related information systems. The House-passed H.R. 2084 appropriates $105 million for those activities. The Senate-passed version appropriates $155 million. The Act, P.L. 106-69, specifies $105 million.

Federal Transit Administration (FTA)

http://www.fta.dot.gov/

The Clinton Administration proposed $6.1 billion for transit in FY2000. This would have been an increase of almost $700 million, or 14%, over the FY1999 level of $5.4 billion. However, TEA-21 authorized $6.8 billion for FY2000, of which, $5.8 billion was guaranteed under the so-called firewall provisions. The additional amount of $291 million over the guaranteed level of $5.8 billion under the Administration's proposal for transit would have come from highway gasoline tax revenues derived from the Revenue Aligned Budget Authority Act (RABA) funds designated by TEA-21 for highway programs. The reallocation of RABA funds to transit was opposed by highway proponents. The American Public Transit Association (APTA) also opposed the Administration's use of RABA funds for transit purposes. APTA believed that the additional funds proposed by the Administration over the guaranteed funding level could be found within the discretionary budget category. However, APTA wanted transit to be funded at the full TEA-21 authorization level of $6.8 billion for FY2000.

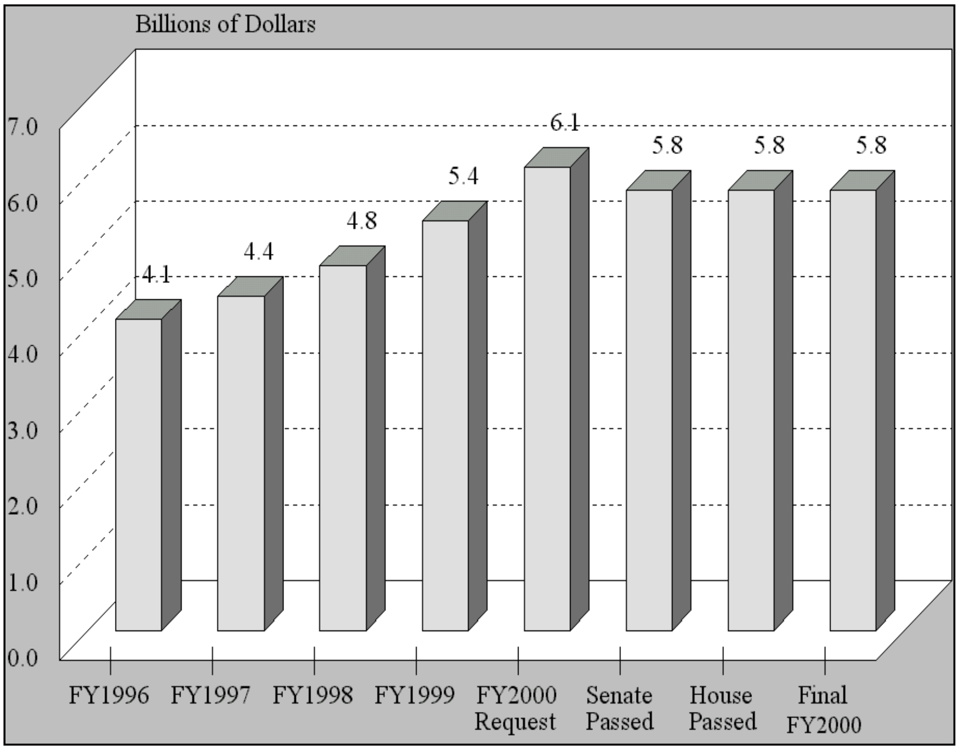
The Senate-passed version of H.R. 2084 (originally introduced in the Senate as S. 1143) provided FTA with total budgetary resources of $5.8 billion. In doing so the Senate complied with the TEA-21 budgetary firewalls. The Senate bill provided no additional transit funding over this amount and rejected the Clinton Administration proposals for the redistribution of RABA funds. During consideration in the Senate, a deadlock occurred over a provision that the would have limited a state's total transit funding to 12.5% of total formula grant transit funding. The provision was controversial not only because it entailed changing the grant distribution formula enacted in TEA-21 but also because all of the reductions would have come out of the projected distribution of transit funds to the two states, New York and California. After a vote to invoke cloture failed, the provision was withdrawn in the face of the certainty of a filibuster by the delegations from New York and California and opposition from those who were against changing any of TEA-21's provisions in general.

The FY2000 Act provides a total of $5.8 billion for FTA. This exceeded FY1999 funding by $407 million, an increase of more than 7.6%. Almost all FTA programs received funding increases. The transit appropriation figures below illustrate the significant increase in funding from FY1999 to FY2000 following the enactment of TEA-21. As shown in **Figure 4**, transit funding under TEA-

21 reached its highest funding level to date with a request of $5.8 billion in FY2000, although this was below the Clinton Administration proposal of $6.1 billion.

Pursuant to the government wide rescission, DOT cut $17.6 million from the level provided for in the FY2000 Act. Capital investment grants absorbed most of the reduction.

Figure 4. Federal Transit Administration Appropriations



There are two major transit programs: the Major Capital Investment Program and the Urbanized Area Formula Program. There are also several smaller formula and planning and research programs.

The Major Capital Investment Program (Section 5309—formerly known as Section 3) is comprised of three major components: new transit starts, fixed guide way modernization, and bus and bus facilities. For FY2000, the Clinton Administration had proposed a level of $2.5 billion. Section 5309, under P.L. 106-69, received $2.5 billion in FY2000, compared to $2.3 billion in FY1999, an increase of 8.4%. These funds are allocated on a discretionary basis by FTA or earmarked by Congress.

The Urbanized Area Formula Program (Section 5307—formerly known as Section 9) provides for the everyday basic urbanized area capital and operating needs. These activities include bus and bus-related purchases and maintenance facilities, fixed guide way modernization, new systems, planning, and operating assistance. For FY2000, the Administration had requested $3.3 billion, an increase over the $2.8 billion enacted for FY1999. Under the FY2000 Act, section 5307 received $3.05 billion, an increase of 8.9% over FY1999. These funds are apportioned on a complicated formula process based, in part, on population and transit service data.

There are also several smaller formula and planning and research programs that received increased funding in FY2000 over FY1999 funding levels. These programs include the

Nonurbanized Area Formula Program, the Elderly and Persons with Disabilities Program, and several transit planning and research programs.

TEA-21 authorized a new Clean Fuels Formula Grant Program to purchase clean fuel vehicles in urbanized areas. Urbanized areas over 1,000,000 population will receive two-thirds of the funding, with the remaining third to urbanized areas with populations under 1,000,000. FY1999 was the first year these funds ($100 million) were appropriated. The FY2000 request was also for $100 million. P.L. 106-69 provides $100 million for FY2000.

TEA-21 also authorized a new discretionary Job Access and Reverse Grant Program. This program is designed to help welfare recipients and low income persons with transportation assistance to suburban areas to find work. This would provide funds for projects using transit for individuals needing job training, child care, and for other purposes. The program's initial funding level was $75 million for FY1999. The FY2000 funding request was for $150 million. However, for FY2000, P.L. 106-69 retains the previous year's funding level of $75 million.

With the enactment of TEA-21, operating assistance funding was eliminated for urbanized areas (UZAs) with 200,000 or more population. However, preventive maintenance, previously eligible for funding from operating assistance, is now allowable under an expanded capital grants formula program. Urbanized areas under 200,000 population, including rural areas (under 50,000 population), can use all of the formula funds for either capital or operating purposes.

Federal Aviation Administration (FAA)

http://www.faa.gov/

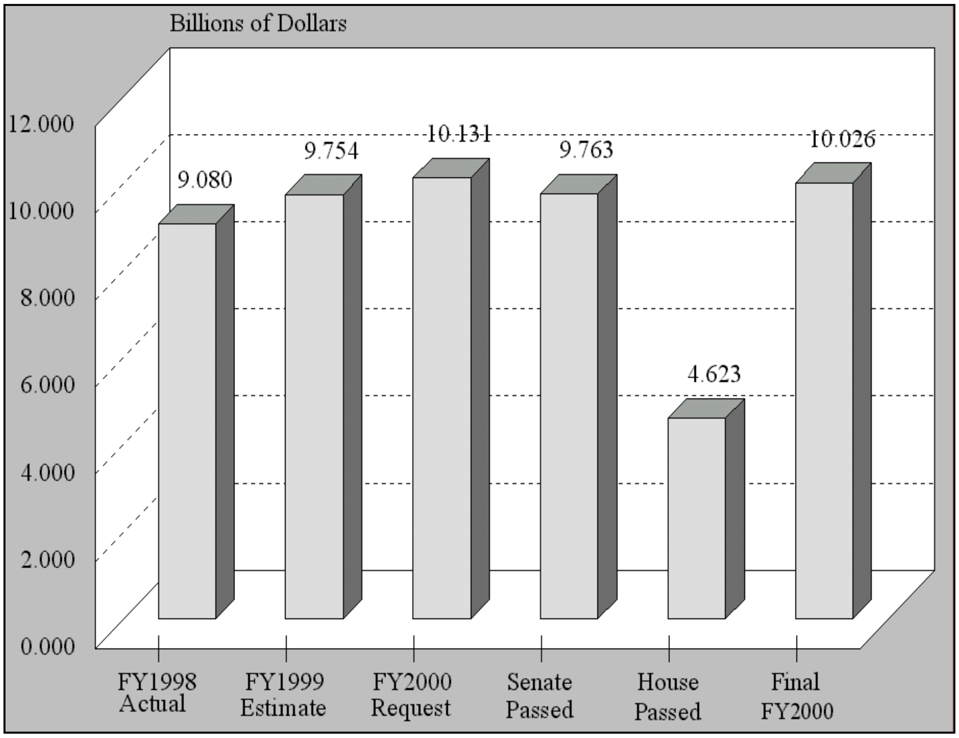
For FY2000, the Administration proposed to fund the entire FAA with a combination of current excise taxes and new user fees, and to establish a Performance-based Organization (PBO) for air traffic services.[11] The funding level for the FAA would have been increased from $9.75 billion to $10.13 billion, or by about 4% over the FY1999 level. The budget request emphasized two major areas: (1) safety initiatives to reduce the fatal accident rate on U.S. commercial carriers 80% by 2007; and (2) the upgrading of air traffic control automation to allow efficiencies through flights that are more direct.

P.L. 106-69, the FY2000 DOT appropriations bill, was signed by the President on October 9, 1999; the bill provides a total of $10.081 billion for the FAA. This is a $327 million increase over FY1999 funding levels, although it is slightly less, by $50 million, than the amount requested by the Administration. The FAA's Operations and Research accounts both receive increases over the FY1999 levels (however, these increases are $139 million and $17 million, respectively, lower than the Administration requested). The Airport Improvement Program is funded at the same level as FY1999 (however, $350 million above the Administration request).[12] The Facilities and Equipment budget is reduced by $12 million from the FY1999 level (however, $244 million below the Administration request).

[11] A PBO is a distinct management unit within a government agency with strong incentives to manage for results. It would commit to specific measurable goals with targets for improved performance. In exchange, it is granted managerial flexibilities and accountability to achieve these targets.

[12] The government wide rescission led to a $54 million reduction in AIP's enacted funding level.

Figure 5. Federal Aviation Administration Appropriations



Although the amount of funding for FAA is within $50 million of the requested funding, the Administration expressed concerns about the lower than requested levels for operations, research, and facilities and equipment.

For the first time, assuming no general fund supplementals, the FAA will be funded entirely from the aviation trust fund with no contribution from the general fund. Historically, a substantial portion of the FAA's budget has come from general fund revenues rather than the aviation trust fund, the rational being that the public at large realizes some benefit from the aviation system whether it uses the system or not.

In related developments, the FAA reauthorization legislation, H.R. 1000, failed to emerge from conference before the end of the first session of the 106th Congress. The conferees were unable to agree on the treatment of the aviation trust fund, the general fund share, and the cap on the passenger facility charge (PFC). Although most FAA programs and activities can operate without authorization, the Airport Improvement Program cannot, and has been in abeyance since October 1, 1999. However, conference remains open and action may occur in the second session.

Operations

The Act includes $5.900 billion for FAA operations, an increase of $334 million (6%) above the FY1999 level, but $139 million (2.3%) below the Administration's request. The increase will be used in part to fund 100 additional field maintenance technicians and to bring on-line and maintain air traffic control and aeronautical navigation equipment now being delivered as part of the modernization of the air traffic control system. The operations budget also includes $668 million for aviation regulation and certification, and $145 million for civil aviation security.

In a statement released following the signing of the Act, the Administration said that the reduction in the operations account will slow hiring for safety and security positions and postpone implementation of needed efficiency and management improvements.[13]

Facilities and Equipment (F&E)

The $2.075 billion for the F&E account is $10 million less than last year's appropriation, and $244 million, or 10.5% less than the request. This account is the principal means for modernizing and improving air traffic control and airway facilities. It also finances major capital investments required by other agency programs, experimental research and development facilities, and other improvements to enhance the safety and capacity of the airspace system. Concerned that the FAA has not adequately justified the Wide Area Augmentation System, which will be used in conjunction with a satellite-based navigation system, the Act zeros out the Administration's request of $108.1 million for this program. The Local Area Augmentation System request of $4 million was also zeroed. Other cuts in this account reflect a general concern with the agency's poor record with respect to the modernization of the air traffic control system, and its failing to evidence a strong commitment to mission focus, accountability, coordination , or adaptability. The Administration said that the reductions in the F&E account will constrain funding for the modernization of the air traffic control system, including needed modernization and improvement of the Global Positioning System. Furthermore, it said the reductions may increase air travel delays and ill-position the FAA to meet the growing challenges of the future.[14]

Research, Engineering and Development (RE&D)

The Act provides $156.495 million in the RE&D account, which is $6 million more than last year but $17 million, or 10%, less than the request. Although programs were trimmed across the board, $5 million was added to the aging aircraft program request to continue and expand research activities at the National Institute for Aviation Research.

Grants-in-Aid for Airports

The Airport Improvement Program (AIP) provides grants for airport development and planning. The FY2000 Act provides the program with a limitation on obligations of $1.95 billion for AIP. This amount is the same as was available in FY1999. The Administration requested $1.6 billion.[15] As mentioned earlier, pursuant to the government wide rescission, DOT reduced the AIP's budget by $54.4 million below the level provided for in the FY2000 Act.

Because no FAA reauthorization bill that would authorize AIP for FY2000 has passed, the AIP has been in abeyance since October 1, 1999. Although existing projects may continue, no new projects may be funded.

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[13] Statement by the President. The White House. Office of the Press Secretary, Oct. 12, 1999. http://www.whitehouse.gov/library/ThisWeek.cgi?type=p&date=1&briefing=7

[14] Ibid.

[15] This lower amount of AIP funding was proposed by the Administration in conjunction with a proposal to increase the cap on the passenger facility charge (PFC) to provide an alternative non-federal source of funds for airport development. However, no FAA reauthorization bill, with such a PFC provision has passed. H.R. 1000 remained in conference at the end of the first session.

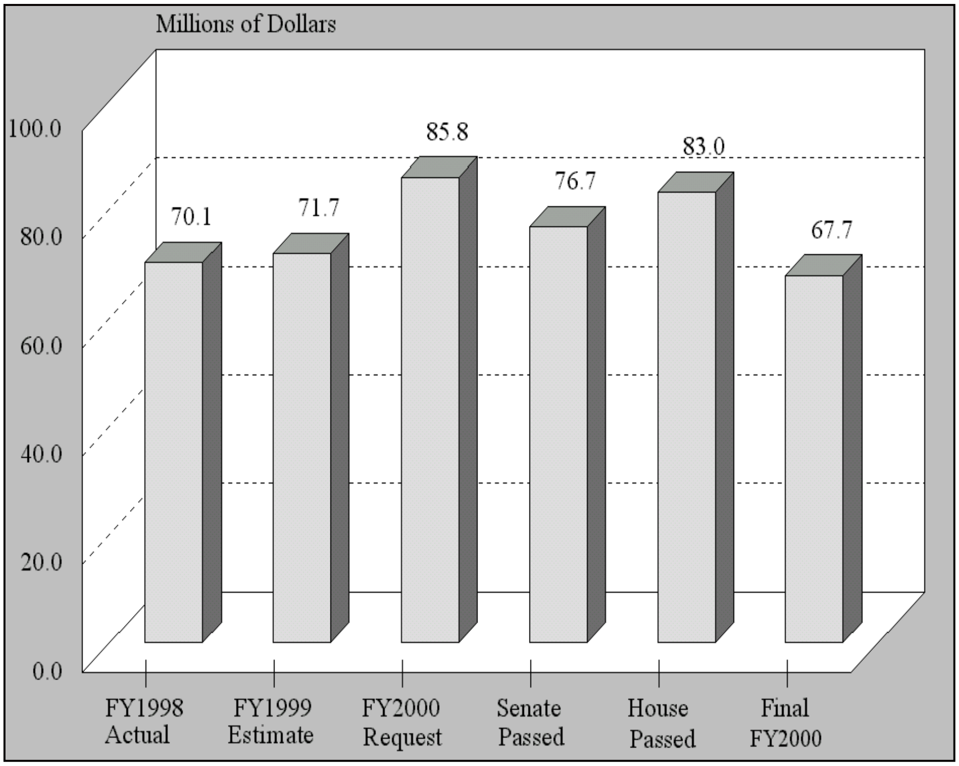
Passenger Rights

During floor debate in the Senate on H.R. 2084, airline passenger consumer protection issues emerged in the form of a number of amendments to the bill. In the appropriations Act (P.L. 106-69), this resulted in language requiring the Office of the Inspector General report on a number of issues: first, to investigate whether domestic and foreign air carriers are engaging in "unfair or deceptive practices" and "unfair methods of competition" (pursuant to 49 U.S. C. section 41712), when they sell tickets on flights that are already over booked or offer different low fares through different media (for example, different lowest fares via telephone or internet); second, the OIG is required to report, not later than June 15, 2000, on the extent that barriers exist to consumer access to comparative price and service information from independent sources (such as travel agents) on the purchase of airline tickets; third, the OIG is required to report on the extent to which air carriers deny travel to airline consumers with non-refundable tickets from one carrier to another. In another provision, the FY2000 Act also expresses the sense of the Senate that the penalty for involuntary "bumping" of passengers should be doubled. The Senate version of the FAA reauthorization bill (H.R. 1000) also includes a number of consumer protection provisions.

Research and Special Programs Administration

For FY2000, the Research and Special Programs Administration (RSPA) requested $85.8 million in budget authority, compared to $71.7 million which was appropriated in FY1999, to conduct a variety of safety and technology programs. For pipeline safety, RSPA requested $38 million, an increase of $3.6 million over FY1999; and for hazardous materials transportation safety, the agency sought $18.2 million, an increase of $2.1 million over FY1999. RSPA estimates that 80% of its budget is allocated for activities seeking to promote transportation safety. The FY2000 budget seeks to enhance RSPA's efforts to prevent damage to gas and liquid pipelines by outside forces (e.g., by a construction crew) and to increase grants to support state efforts to reduce environmental damage from pipeline spills. RSPA also seeks to increase its staff supporting the hazardous materials (hazmat) transportation safety program and to increase funding provided for hazmat training and planning assistance provided to emergency responder and local planning committees.

Figure 6. Research and Special Programs Administration Appropriations



For FY2000, the Senate-passed version of H.R. 2084 recommended total budgetary resources for RSPA of $76.656 million, including $16.960 million for the hazardous materials transportation safety program and $36.104 for the pipeline safety program. The House-passed version recommended $82.953 million in new budget authority for RSPA, including $17.813 million for hazardous materials transportation safety program and $36.092 million for pipeline safety. The conference agreement accompanying P.L. 106-69 provides $67.7 million for RSPA, but does not set a limit on obligations for the emergency preparedness grant program for hazmat training and planning. The agreement specifies $36.9 million for the pipeline safety program and $17.7 million for the hazardous materials transportation safety program.

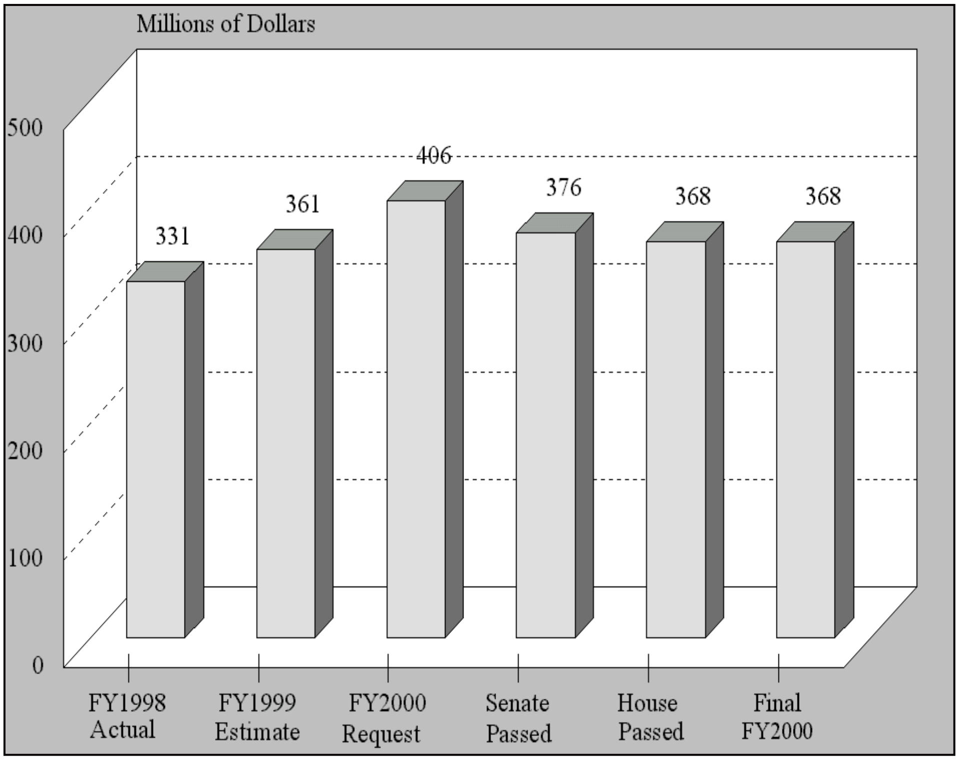
National Highway Traffic Safety Administration (NHTSA)

http://www.nhtsa.dot.gov/

For FY2000, the NHTSA requested an appropriation of $406 million, up from $361 million enacted for FY1999. The requested increase included $125 million derived from the Revenue Aligned Budget Authority. The $125 million of RABA funds constituted about 30% of the agency's overall budget request of $406 million.

The Administration proposed using RABA funds to pay for all of NHTSA's motor vehicle safety activities, which include defect investigations, the auto-safety hotline, and various consumer information programs on the crash worthiness of new vehicles. Last year, the appropriations committees funded the entire NHTSA account using highway trust fund monies.

Figure 7. National Highway Traffic Safety Administration Appropriations



The Senate-passed H.R. 2084 recommended agency funding totaling $376 million, a reduction of about 7.4% from the Administration's request, but $15 million (or about 4.2%) more than the amount enacted for FY1999. The House-passed version of H.R. 2084 recommended $368.2 million for NHTSA during FY2000. The conference report (H.Rept. 106-355) passed by both houses recommends $368 million, which was the amount contained in the bill signed into law (P.L. 106-69) by the President on October 9, 1999.

The Senate Appropriations Committee expressed dismay at the Administration's proposal to use RABA funds for Operations and Research. The Committee has recommended that $72 million of contract authority (from TEA-21) be combined with $89.4 million authorized under sections 30104 and 32102 of title 49 U.S.C. and chapter 303 of title 49 R.S.C. for FY2000, bringing the total to $161.4 million for operations and research activities. This amount is about $38 million less than the $199.5 million requested by the Administration.

Likewise, the Administration's suggestion that a substantial portion of NHTSA's programs be funded from RABA was not well received by the House Appropriations Committee. In its report, the committee states that, "Such budget gimmickery does not indicate a sincere commitment to safety. Further, by submitting this request to Congress, the department is shortchanging safety by not continuing a reliable funding source for safety programs."

One of the agency's programs to encourage the use of seat belts has been bolstered by the recent presidential seat belt initiative. Although the "Buckle Up America" program began in FY1999, it continues to be an important component of the agency's entire safety agenda. In addition, the agency is focusing its research and regulatory efforts on "smart air bags" and other lifesaving technologies. The Senate Appropriations Committee, in S.Rept. 106-55 accompanying S. 1143, expressed its concern over additional safety issues, including the emerging issue of tragedies of children becoming locked in auto trunks. The committee directs NHTSA to prepare a report determining the frequency of these incidents and to recommend strategies to reduce such incidents. Although the trunk lid study deadline is March 31, 2000, there is no funding earmarked to prepare the report.

Incentive Funds for 0.08 BAC Laws

Section 163 of Title 23, U.S.C., provides contract authority of $80 million for FY2000 to provide incentive grants to those states that adopt and enforce a law that makes it illegal per se (by definition) to operate a motor vehicle with a blood alcohol concentration (BAC) at or above 0.08%.[16] TEA-21 provides $80 million of contract authority for the Section 163 program for FY2000, compared to $65 million in FY1999. Currently 16 states qualify to receive those monies. Those funds do not require a separate appropriation and are protected within the firewall for federal aid highway programs established by TEA-21. Although the apportioned funds may be obligated for any program authorized under Title 23, U.S.C., states are using most of those funds for behavioral-oriented traffic safety activities, rather than for highway infrastructure projects. In general, states support incentive programs that encourage them to adopt specified laws rather than "disincentive" programs that take away or transfer a portion of their federal aid monies if they do not enact those laws.

Table 5. Total Budgetary Resources of Selected Agencies and Selected Programs

(in millions of dollars—totals may not add)

Agency	FY1999 Enacted [a]	FY2000 Request [a]	Senate Passed H.R. 2084[a]	House Passed H.R. 2084[a]	Conf. Rept. H.Rept. 106-355[a]	Public Law P.L. 106-69[f]	Final FY2000 (after .38% reduction)
FHWA	26,823	28,549	28,966	28,938	28,938	28,938	28,833
(Limitation on Obligations)	25,611	[b]27,417	[b]27,806	[b]27,806	[b]27,806	27,806	27,701
(Exempt Obligations)	1,212	1,132	1,132	1,132	1,132	1,132	1,132
BTS	(31)	(31)	31	—	31	31	31
NHTSA.	361	406	376	368	368	368	368
FRA	778	678	750	719	735	735	[f]735
Amtrak (total)	609	571	571	571	571	571	571
Amtrak Reform Council	450,000.00 (actual $)	750,000.00 (actual $)	950,000.00 (actual $)	450,000.00 (actual $)	750,000.00 (actual $)	750,000.00 (actual $)	750,000.00 (actual $)
FTA	5,390	6,088	5,797	5,797	5,797	5,797	5,779
Formula Grants, (Capital, Plan.., & Limited Operating) (general funds)	570	620	620	620	620	620	620

[16] Section 163 was added to Title 23, U.S.C., by Section 1404 of TEA-21.

Agency	FY1999 Enacted [a]	FY2000 Request [a]	Senate Passed H.R. 2084[a]	House Passed H.R. 2084[a]	Conf. Rept. H.Rept. 106-355[a]	Public Law P.L. 106-69[f]	Final FY2000 (after .38% reduction)
Formula Grants, (Capital & Plan.) (trust funds)	2,280	2,690	2,478	2,478	2,478	2,478	[f]2,478
Capital Investment (general funds)	451	490	490	490	490	490	490
Capital Investment (trust funds)	1,806	1,961	1,961	1,961	1,961	1,961	1,944
FAA	9,754	10,131	9,763	4,623	10,081	10,081	10,027
Operations (trust fund & general fund)	5,567	6,039	5,857	0	5,900	5,900	5,900
Facilities & Equipment (F&E) (trust fund)	2,087	2,319	2,046	2,200	2,075	2,075	2,075
Grant-in-aid Airports (AIP) (trust fund) (limitation on obligations)	1,950	1,600	2,000	2,250 ($300 mil. of unobligated funds are rescinded)	1,950	1,950	1,896
Research, Engineering, & Development (RE&D) (trust fund)	150	173	150	173	156	156	156
USCG[c]	4,484	4,126	3,988	4,048	4,024	[c]4,024	[f]4,022
Operating Expenses	3,048	2,941	2,772	2,791	2,781	2,781	2,781
Acquisition, Construction, & Improvements	626	350	370	410	389	389	388
St. Lawrence Seaway	11	0	11	12	12	12	[f]12
OIG	44	45	[d]48	45	45	45	[f]45
RSPA	72	86	77	83	68	68	68
OST	81	81	75	76	76	76	[f]76

Agency	FY1999 Enacted [a]	FY2000 Request [a]	Senate Passed H.R. 2084[a]	House Passed H.R. 2084[a]	Conf. Rept. H.Rept. 106-355[a]	Public Law P.L. 106-69[f]	Final FY2000 (after .38% reduction)
Essential Air Service (trust fund)	50	50	50	50	50	50	50
STB	16	[e]17	[e]17	[e]15	17	17	[f]17
NTSB (Budg Auth)	57	57	53	57	57	57	57
Budgetary Resources Grand Total	47,224	50,158	49,500	44,474	50,174	50,174	49,995

Sources:

a. Unless otherwise noted, figures for FY1999 enacted, and FY2000 requested were taken from H.Rept. 105-825, H.Rept. 106-355, the Budget of the United States, fiscal year 2000, and the FY2000 Budget in Brief and justifications. Department of Transportation figures include adjusted figures that may not match the conference report or Budget of the United States figures. The columns pertaining to the Senate, House, and Conference funding levels For FY2000 have been taken from the table at the end of H.Rept. 106-355. OMB figures provided by the House Committee on Appropriations were used to calculate the final funding levels.

b. Includes $105 million to account for motor carrier safety grants obligation limitation.

c. Figures for the Coast Guard were taken from H.Rept. 106-355. In general, the Coast Guard total budgetary resources includes substantial funding from the Department of Defense and from emergency supplemental appropriations. For more detail, see CRS Report No. RL30246, *Coast Guard: Analysis of the FY2000 Budget*. For FY2000, Congress appropriated an additional $200 million as emergency funding contingent on an official budget request being made. Thus, the total FY2000 appropriation could be interpreted as being $4.224 billion.

d. This figure for the Office of the Inspector General includes $9 million transferred from the FTA administrative category.

e. Includes Surface Transportation Board estimated offsetting collections for FY1999 and estimated collections for FY2000.

f. Budget reductions pursuant to the government wide rescission (P.L. 106-113) that were too small to be reflected in the Final FY2000 column in **Table 5** are as follows: Federal Railroad Administration, $-179,000; Transit Planning and Research, -$243,000; Coast Guard alteration of bridges, -$57,000; and environmental compliance and restoration, -$65,000; Saint Laurence Seaway, -$46,000; OIG, -$170,000; STB, -$58,000; and Office of the Secretary, -$28,000.

Note: Numbers within this table may differ slightly from those in the text due to supplemental appropriations, rescissions, and other funding actions. Columns may not add due to rounding or exclusion of smaller program line-items.

Maritime Administration (MARAD) funding, and funding for the Federal Maritime Commission (FMC), are contained in CRS Report RL30209, *Appropriations for FY2000: Commerce, Justice, and State, the Judiciary, and Related Agencies*, coordinated by Edward Knight.

For Additional Reading

CRS Issue Briefs

CRS Issue Brief IB10026. *Airport Improvement Program,* by Robert S. Kirk.

CRS Issue Brief IB10032. *Transportation Issues in the 106th Congress*, coordinated by Glen Moore.

CRS Issue Brief IB10030. *Federal Railroad Safety Program and Reauthorization Issues*, by Paul F. Rothberg and Anthony J. Solury.

CRS Reports

CRS Report 98-749. *The Transportation Equity Act for the 21st Century (TEA-21) and the Federal Budget*, by John W. Fischer.

CRS Report RL30096. *Airport Improvement Program Reauthorization Legislation in the 106th Congress*, by Robert S. Kirk.

CRS Report RS20176. *Surface Transportation Board Reauthorization and the 106th Congress*, by Stephen Thompson.

CRS Report RS20177. *Airport and Airway Trust Fund Issues in the 106th Congress*, by John W. Fischer.

CRS Report 98-593. *Airport Improvement Program: Airport Finance Issues for Congress*, by Robert S. Kirk.

CRS Report RL30068. *Automobile Air Bags: Current Issues Associated With New Technology*, by Duane A. Thompson and John R. Justus.

CRS Report 98-890. *Federal Traffic Safety Provisions in the Transportation Equity Act for the 21st Century: Analysis and Oversight Issues*, by Paul F. Rothberg and Anthony J. Solury.

CRS Report 98-63. *Transportation Trust Funds: Budgetary Treatment*, by John W. Fischer.

CRS Report 98-646. *Transportation Equity Act for the 21st Century (P.L. 105-178): An Overview of Environmental Protection Provisions*, by David M. Bearden.

CRS Report RL30246. *Coast Guard: Analysis of the FY2000 Budget*, by Martin Lee.

Selected World Wide Web Sites

Department of Transportation, Chief Financial Officer

http://ostpxweb.dot.gov/budget/

House Appropriations Committee

http://www.house.gov/appropriations

National Highway Traffic Safety Administration (budget & planning)

http://www.nhtsa.dot.gov/nhtsa/whatis/planning/perf-plans/gpra-96.pln.html

Office of Management and Budget

http://www.access.gpo.gov/omb/omb003.html

Senate Appropriations Committee

http://www.senate.gov/committees/committee_detail.cfm?COMMITTEE_ID=405

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